

AMENDED IN SENATE JULY 13, 2015

AMENDED IN SENATE JUNE 23, 2015

AMENDED IN ASSEMBLY APRIL 29, 2015

CALIFORNIA LEGISLATURE—2015–16 REGULAR SESSION

ASSEMBLY BILL

No. 904

**Introduced by Assembly Member Perea
(Coauthor: Assembly Member Eduardo Garcia)**

February 26, 2015

An act to add Section 44274.9 to the Health and Safety Code, relating to vehicular air pollution.

LEGISLATIVE COUNSEL’S DIGEST

AB 904, as amended, Perea. Air Quality Improvement Program: Clean Reused Vehicle Rebate Project.

Existing law establishes the Air Quality Improvement Program that is administered by the State Air Resources Board for the purposes of funding projects related to, among other things, the reduction of criteria air pollutants and improvement of air quality. Pursuant to its existing statutory authority, the state board has established the Clean Vehicle Rebate Project, as a part of the Air Quality Improvement Program, to promote the production and use of zero-emission vehicles by providing rebates for the purchase of new zero-emission vehicles.

This bill would require the state board to establish the Clean Reused Vehicle Rebate Project, as a part of the Air Quality Improvement Program, to provide rebates or other incentives for the acquisition of an eligible used vehicle, as defined; the replacement or refurbishment of a battery and related components for an eligible used vehicle or an extended warranty for the battery or related components; or an extended

service warranty to cover unexpected vehicle repairs not covered by the manufacturer's warranty related to unique problems in eligible used vehicles, as specified.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 44274.9 is added to the Health and Safety
- 2 Code, to read:
- 3 44274.9. (a) For purposes of this section, the following terms
- 4 mean the following:
- 5 (1) "Eligible used vehicle" only includes the same categories
- 6 of vehicles that are eligible for a rebate under the Clean Vehicle
- 7 Rebate Project.
- 8 (2) "Used vehicle" has the same meaning as set forth in Section
- 9 665 of the Vehicle Code.
- 10 (b) No later than July 1, 2017, the state board shall establish,
- 11 as a part of the Air Quality Improvement Program, the Clean
- 12 Reused Vehicle Rebate Project to provide an applicant with any
- 13 of the following:
- 14 (1) A rebate or other incentive with a value of up to ~~two~~
- 15 ~~thousand five hundred dollars (\$2,500)~~ *one thousand eight hundred*
- 16 *dollars (\$1,800)* for the acquisition of an eligible used vehicle from
- 17 a licensed dealer.
- 18 (2) A rebate or other incentive for the replacement or
- 19 refurbishment of a battery and related components for an eligible
- 20 used vehicle, for an extended warranty for the battery and related
- 21 components, or for both.
- 22 (3) A rebate or other incentive for an extended service warranty
- 23 to cover unexpected vehicle repairs not covered by the
- 24 manufacturer's warranty related to unique problems in eligible
- 25 used vehicles.
- 26 (c) A rebate or other incentive issued pursuant to this section
- 27 shall be limited to one per vehicle.
- 28 (d) Rebates or other incentives issued pursuant to this section
- 29 shall be limited to low- and moderate-income consumers residing
- 30 in disadvantaged communities, as identified pursuant to Section
- 31 39711.

1 ~~(e)~~ *Notwithstanding subdivision (d), a rebate or other incentive*
2 *available pursuant to paragraph (1) of subdivision (b) shall only*
3 *be issued to an applicant who resides in one of the following:*

4 ~~(1)~~ *A county where less than 2 percent of the total rebates of*
5 *the Clean Vehicle Rebate Project, established as part of the Air*
6 *Quality Improvement Program established pursuant to this article,*
7 *have been issued.*

8 ~~(2)~~ *A district that has been designated by the state board as*
9 *being in nonattainment and as not meeting the federal ambient air*
10 *quality standards.*

11 ~~(e)~~

12 ~~(f)~~ The state board shall coordinate the Clean Reused Vehicle
13 Rebate Project with the Clean Vehicle Rebate Project, established
14 as part of the Air Quality Improvement Program established
15 pursuant to this article, the enhanced fleet modernization program,
16 established pursuant to Article 11 (commencing with Section
17 44125) of Chapter 5, and the Charge Ahead California Initiative,
18 established pursuant to Chapter 8.5 (commencing with Section
19 44285), including, but not limited to, all of the following:

20 (1) Coordinating eligibility pursuant to this section with
21 eligibility for the enhanced fleet modernization program.

22 (2) Ensuring appropriate outreach and targeting to low- and
23 moderate-income households in an effort to encourage
24 participation.

25 (3) Expanding financing mechanisms, including, but not limited
26 to, a loan or loan-loss reserve credit enhancement program to
27 increase consumer access to zero-emission and near-zero-emission
28 vehicle financing and leasing options that can help lower
29 expenditures on transportation and prequalification or point-of-sale
30 rebates or other methods to increase participation rates among low-
31 and moderate-income consumers.

32 ~~(f)~~

33 ~~(g)~~ (1) The state board shall establish safeguards for the project
34 established pursuant to this section to prevent both of the following:

35 ~~(A)~~ Fraudulent activity by the sellers and acquirers of eligible
36 used vehicles.

37 ~~(B)~~ Practices that could prevent the intended recipients of rebates
38 or other incentives from benefiting from this section.

39 (2) For purposes of this subdivision, “fraudulent activity” may
40 include raising the price of eligible used vehicles in a manner that

- 1 partially or completely captures a rebate or other incentive issued
- 2 pursuant to this section.

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